

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 292 of 1985

For Approval and Signature:

Hon'ble MR.JUSTICE B.C.PATEL and  
MR.JUSTICE R.R.JAIN

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1. Whether Reporters of Local Papers may be allowed to see the judgements?
  2. To be referred to the Reporter or not?
  3. Whether Their Lordships wish to see the fair copy of the judgement?
  4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder?
  5. Whether it is to be circulated to the Civil Judge?

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VASUNDHRA GANNING P LTD

Versus

COMMISSIONER OF INCOME TAX

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Appearance:

MR JP SHAH for Petitioner

MR MANISH R BHATT for Respondent No. 1

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CORAM : MR.JUSTICE B.C.PATEL and  
MR.JUSTICE R.R.JAIN

Date of decision: 18/07/96

ORAL JUDGEMENT

"Tribunal has referred the following question under Section 256 (1) of the Income tax Act, 1961 to this court for opinion :-

"Whether on the facts and in the circumstances off the case, the Tribunal was justified in law is not granting weighted deduction of

Rs.2,62,286/-, Rs.2,04,648/- and Rs.2,91,945/for assessment years 1977-78, 1979-80 and 1980-81 respectively representing freight etc., expenses on the basis ob Bombay High Court decision in Universal Ferro and Allied Chemicals Ltd. v. G.K.Wariyar reported in 143 ITR 959 ?"

This Court in the case of Testeels Ltd.

v. C.I.T., 205 ITR 230, has taken the view that subclause (iii) of Section 35b (1)(b) clearly lays down that the expenditure incurred for freight insurance is not admissible for weighted deduction. In view of this decision, this question is to be answered in favour of the revenue and against the assessee.

Accordingly, the reference is answered with no order as to costs."